

**VIRGINIA:**

**BEFORE THE VIRGINIA GAS AND OIL BOARD**

**APPLICANTS:** Torch Energy Advisors Incorporated )  
(herein “Torch”) and Consolidation Coal Company )  
(herein “CCC”) (Torch and PGP sometimes ) VGOB  
collectively referred to as “Applicants”) ) 92/02/18-0190-01

**RELIEF SOUGHT:** Accountings, Disbursements from Escrow Account, and Amendment of Board's Pooling Order for Drilling Unit NELW10 in Docket No. VGOB 92/02/18-0190 entered April 29, 1992, and recorded May 1, 1992, in Deed Book 390, Page 656 as amended by Board Order entered June 9, 1992 and recorded July 1, 1992 in Deed Book 393, Page 831 (herein collectively "Pooling Order"); the Board's Supplemental Order Regarding Elections Entered in Docket No. VGOB 92/02/18-0190 on December 20, 1994, and Recorded December 28, 1994 in Deed Book 431, Page 41 (herein "Supplemental Order"); the Board's Amended Supplemental Order Regarding Elections Entered May 8, 1997 and Recorded May 13, in Deed Book 462, Page 412 (herein "Amended Supplemental Order"), all recordings being in the Office of the Circuit Court of Buchanan County, Virginia

**LEGAL DESCRIPTION:** Drilling Unit Number NELW10 as Created by Board Order Effective as of November 19, 1991, Docket No. VGOB 92/11/19-0160 as amended by Board Orders in VGOB Docket No. 93/06/22-0384 (herein "Subject Drilling Unit") in the Hurricane Magisterial District, Buchanan County, Virginia (herein "Subject Lands")

## REPORT OF THE BOARD

## **FINDINGS AND ORDER**

1. **Hearing Date and Place:** This matter came on for hearing before the Virginia Gas and Oil Board (herein "Board") at 9:00 a.m. on March 25, 1998, and as a result of action taken by the Board on that date, and as a result of the subsequent accountings filed by the Operator with the Board, the Board hereby enters this Order.

2. **Appearances:** Jill Harrison of the firm Penn Stuart appeared in behalf of the Applicants; Sandra B. Riggs, Assistant Attorney General was present to advise the Board.
3. **Jurisdiction and Notice:** Pursuant to Va. Code § 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the establishment and maintenance of the escrow account established by the Board for the Subject Drilling Unit pursuant to the terms of the Pooling Order, the Supplemental Order, and the Amended Supplemental Order (herein "Escrow Account") into which the Unit Operator is required to deposit those funds specified in the escrow requirements of the Virginia Gas and Oil Act (herein "Act") found at Va. Code § 45.1-361.21.D., 45.1-361.22.A.2., 45.1-361.22.A.3, and 45.1-361.22.A.4. (herein "Escrowed Funds"). Further, the Board finds: (1) that it does not have jurisdiction to resolve conflicting claims of ownership to the Coalbed Methane Gas being produced by the Unit Operator from wells located on Subject Drilling Unit, (2) that it does not have jurisdiction to interpret voluntary agreements between the Gas owners/claimants and the Unit Operator or to abridge or contravene the provisions of such agreements, and (3) that pursuant to Va. Code § 45.1-361.22.A.5, it does have jurisdiction and authority to disburse funds from the Escrow Account provided there has first been either a legal determination of Applicants' entitlement with respect to the liquidated amount of the funds on deposit in the Escrow Account attributable or allocable to Applicants' interest therein or there is an agreement by all of the owners/claimants within the drilling unit as to the amount of their respective Entitlement to the Escrowed Funds. The Applicants have represented to the Board that they have given notice to all parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code §§ 45.1-361.19 and 45.1-361.22 to notice of this application, i.e., those persons set forth in Exhibit E hereto (persons identified by the Operator in the Escrow Accounting as being owners/claimants whose interests in Subject Drilling Unit are subject to the escrow requirements of the Act and the Pooling Order (persons whose Entitlements have purportedly been placed by the Unit Operator into the Escrow Account and who, according to the Operator, are the claimants to the Escrowed Funds). The Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.
4. **Prior Proceedings:**
  - 4.1 At the Board's hearing on February 18, 1992, in Docket No. VGOB 92/02/18-0190, the Board granted the relief sought by Pocahontas Gas Partnership (herein "Operator") and pooled the interests in the Subject Formations in the Subject Drilling Unit underlying the Subject Lands for the production of coalbed methane gas (herein collectively referred to as "Coalbed Methane Gas" or "Gas") from active gob areas of the pool defined as those strata correlative to the coal seams and the coal seams below the Tiller Seam, including the Lower Castle, Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, C, War Creek, Pocahontas No. 10, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7 Pocahontas, No. 6 Pocahontas No. 5, Pocahontas, No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams or pools, and all zones in communication therewith and all productive extensions thereof (herein "Subject Formations") pursuant to Va. Code §§ 45.1-361.21 and 45.1-361.22, and the terms of the Pooling Order, and the Board named the PGP as the Operator. The Supplemental Order, which incorporated the Operator's Affidavit of Election, was entered by the Board *sua sponte* on December 20, 1994 to comply with the requirements of the Board's Regulation 4 VAC 26-160.70.C. by supplementing the Pooling Order to complete the record regarding elections and to identify to the Board those claimants whose interests were subject to the escrow requirements of Act and the Pooling Order.
  - 4.2 In their application to the Board to withdraw those funds in the Escrow Account which Applicants claim are uniquely attributable to their mutually conflicting Gas interests in Tracts 46 and 48 of Subject Drilling Unit, the Applicants warranted and represented to the Board that:

- a. Hugh MacRae Land Trust (herein "Trust") and Consolidation Coal Company (herein "CCC") are conflicting Gas claimants within: (1) a 2.00 acre tract within Subject Drilling Unit known and designated as Tract 46 (herein "Tract 46"), and (2) a 2.50 acre tract within Subject Drilling Unit known as Tract 48 (herein "Tract 48").
  - b. That Tract 46 represents a 0.51137 percent interest within Subject Drilling Unit, and Tract 48 represents a 0.63921 percent interest in Subject Drilling Unit, and that Applicants' interests, in the aggregate, total 1.115058 percent of Subject Drilling Unit.
  - c. By Assignment and Bill of Sale dated as of December 29, 1997 (herein "Assignment"), Trust assigned to Torch all of its interests in bonus and royalty payments (including, but not limited, to those deposited by the Unit Operator into the Escrow Account) allocable to its conflicting Gas interests in Tract 46 and Tract 48.
  - d. Subsequent to the Assignment, Torch and CCC became the sole claimants to the Escrowed Funds uniquely attributable to Tracts 46 and 48, and
  - e. Trust, Torch and CCC by agreement dated December 30, 1997 (herein "Settlement Agreement") agreed that the portion of the Escrowed Funds uniquely attributable to Tracts 46 and 48, once determined, were to be paid as follows: a sum equal to fifty percent (50%) to CCC and a sum equal to fifty percent (50%) to Torch.
- 4.3 Through the application filed herein, the Applicants seek a partial disbursement of funds from the Escrow Account. A review of the Pooling Order, Supplemental Order, and Amended Supplemental Order reveals that the Applicants have purportedly entered into voluntary agreements with the Operator with respect to their interests in Subject Drilling Unit and:
- a. Footnotes to the Operator's Affidavit of Election of August 24, 1994 which was attached to and made a part of the Supplemental Order indicates that: (1) 197.21 acres or 50.4232% of the Subject Drilling Unit were being escrowed in-house by the Operator due to conflicting claims; (2) 193.9 acres or 49.5768% of Subject Drilling Unit were being paid to owners whose interest were not in conflict; and (3) no interests were being escrowed with the Virginia Escrow Agent.
  - b. The Operator's Affidavit of Election of May 18, 1996 which was attached to and made a part of the Amended Supplemental Order indicates that: (1) by Paragraph 6 that the interests reflected in Exhibit B-3 were subject to escrow under the Pooling Order, and (2) Exhibit B-3 does not include the interests of the Applicants.
  - c. Notwithstanding the fact that the Supplemental Order and Amended Supplemental Order did not indicate Operator's intention to escrow fund due Applicants pursuant to the terms of their voluntary agreements, testimony presented to the Board at its hearing of this matter revealed that the Operator had deposited funds attributable to said interests in the Escrow Account; therefore, the Board instructed the Operator to file an amended Affidavit of Election to support an Amended Supplemental Order in order to properly reflect those interests in Subject Drilling Unit for which funds were actually being deposited by the Operator into the Escrow Account.
- 4.4 To comply with instructions given to the Operator by the Board at its hearing of this matter on April 21, 1998, by letter dated August 12, 1998 from Mark Swartz of the firm Swartz & Stump, the Operator forwarded to the Board an accounting entitled "Affidavit RE: Amended Supplemental Orders" (herein "Escrow Accounting") incorporating a schedule setting forth the total royalties the Operator represents it deposited into the Escrow Account allocated among eight tracts within Subject Drilling Unit, i.e., Tracts 46, 47, 48, 52, 53 (divided into three tracts for payment - 5A, 6A1, 6A2), 54 (divided into three tracts for payment - 7A, 8A, 9A), 57, and 58 (divided into three tracts for payment - 11A, 12A, 13A). With respects to Tracts 46 and 48, the tracts for which the Applicants seek to withdraw funds from the Escrow Account, the Escrow Accounting indicates that: for Tract 46

(9100063 1A) Operator deposits for the period January 1992 to July 1998 totaled \$4,931.00; and for Tract 48 (9100063 3A) Operator deposits for the period January 1992 to July 1998 totaled \$6,163.61.

- 4.5 By action taken by the Board on October 20, 1998 in VGOB Docket No. 97/04/15-0582, Application of Hugh McRae Land Trust and Garden Realty Corporation to Withdraw from the Escrow Account funds attributable or allocable to their conflicting but settled Gas ownership interests in Tract 47 and 52 of Subject Drilling Unit, the Board instructed the Escrow Agent (1) from records filed with it by the Operator and in cooperation with the Operator, to perform the work necessary to create subaccounts and to allocate the funds on deposit in the Escrow Account to the various tracts within Subject Drilling Unit for which funds have been escrowed by the Operator and (2) to report back to the Board its progress on November 17, 1998.
- 5 **Relief Requested:** Applicants requested that the Board (1) calculate the amount(s), in the aggregate, attributable to Tracts 46 and 48 in which Trust/Torch and CCC are the sole conflicting claimants, pursuant to the terms of Applicants' voluntary agreements with the Operator, (2) provide for an accounting of said sums by the Operator and by the Escrow Agent to the Applicants, (3) disburse all sums due the Applicants by virtue of their voluntary agreements and/or the Pooling Order, including applicable earnings, whether held by the Operator and/or the Escrow Agent, in the manner set forth in the Settlement Agreement, and (4) direct the Operator in the future to discontinue the payment of Applicants' entitlements attributable to their conflicting claims within Tracts 46 and 48 into the Escrow Account, but rather to disburse such funds, including any applicable earnings, together with an accounting thereof, to Applicants in accordance with the Settlement Agreement entered into between Trust, Torch and CCC.
- 6 **Special Findings:**
- 6.1. While the Supplemental Order and the Amended Supplemental Order do not identify Applicants' interest in Tracts 46 and 48 as being subject to the Escrow Requirements of the Act or of the Pooling Order, the Operator's affidavit filed as part of the Escrow Accounting reflects that the Operator is depositing funds into the Escrow Account for tracts identified in Paragraph 4.4 above, which include Tracts 46 and 48. The Board is unable to determine from the evidence presented when the Operator commenced depositing funds attributable to Tracts 46 and 48 into the Escrow Account, or the period of time during which said funds have been on deposit in the Escrow Account.
- 6.2. The Escrow Accounting filed with the Board by the Operator in August 1998 reflects that Tract 46 is coded 9100063-1A and that the Operator has deposited into the Escrow Account the sum of \$4,931.00 for said Tract; that Tract 48 is coded 9100063-3A and that the Operator has deposited into the Escrow Account the sum of ~~\$6,163.61~~ for said tract; or that a total of ~~\$11,094.61~~ attributable to Applicants' aggregate interest in Subject Drilling Unit has been deposited by the Operator into the Escrow Account (herein "Principal").
- 6.3. Through the testimony, the application filed herein, and the Escrow Accounting the Applicants and the Operator have represented to the Board that: (1) the sole claimants to the Escrowed Funds attributable to Tracts 46 and 48 are CCC and Trust, and (2) that Trust, Torch and CCC entered into the Settlement Agreement effective December 30, 1997 which according to the Applicants authorizes fifty percent (50%) of the Escrowed Funds attributable to their aggregate interest be paid to CCC and fifty percent (50%) be paid to Torch.
- 6.4. The Pooling Order, the Supplemental Order, the Amended Supplemental Order, and the Board's contract with the Escrow Agent directed and authorized the Escrow Agent to set up one escrow account for the Subject Drilling Unit and to receive from the Operator for deposit into that account proceeds subject to the Escrow Requirements of the Act and the Pooling Order. Funds

within the Subject Drilling Unit's Escrow Account are not segregated by tract within the drilling unit, nor is interest accrued or fees assessed on a tract-by-tract basis.

6.5. Va. Code § 45.1-361.22.A.5. provides that *"The Board shall order payment of principal and accrued interest from the escrow account to all persons legally entitled thereto pursuant to the provisions of § 45.1-361.21 and the order of the Board. Such order shall be issued within thirty days of receipt of notification of the final legal determination of entitlement thereto or upon agreement of all claimants."* Neither the Act or the regulations promulgated pursuant thereto define the term "entitlement"; therefore, the Board in applying its common meaning as set forth in Black's Law Dictionary (right or benefits, income or property, which may not be abridged without due process), the Board defines the term "entitlement" as used in Va. Code § 45.1-361.22.A.5. to mean *"the liquidated dollar amount of that portion of the Escrowed Funds which is uniquely attributable to each Gas Owner's interest in Subject Drilling Unit to be comprised of the Principal deposited by the Operator into the Escrow Account, plus interest accruing on the Principal for the period of time said Principal was on deposit in the Escrow Account (herein "Interest"), less the fees charged by the Escrow Agent to the Escrow Account allocable to Applicants' interests in Subject Drilling Unit (herein "Fees") (herein Principal, plus Interests less Fees is collectively referred to as "Entitlement").*

6.6. In determining whether or not Applicants have established their Entitlement in the Escrowed Funds, the board finds that: (1) with respect to the application herein, there has been no final legal determination of Applicants' entitlement to the Escrowed Funds, (2) all of the persons identified by the Operator as having or claiming Gas interests within the tracts for which funds are being deposited by the Operator into the Escrow Account have not resolved their conflicting claims or agreed to their respective Entitlement, and (3) that while with respect to Tracts 46 and 48, Torch and CCC have resolved their conflicting claims, they have not agreed to their respective Entitlement.

7. **Relief Granted:** Therefore:

7.1 Applicants' request for an accounting is granted and is hereby deemed satisfied by the Escrow Accounting, a copy of which was heretofore provided to the Applicants.

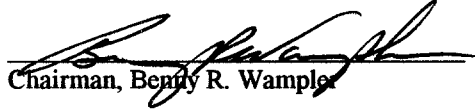
7.2 The Escrow Agent is directed to: (1) review all records filed with it by the Operator, or to meet with the Operator to obtain such records as are necessary to perform the work required to create subaccounts within the Escrow Account by tracing and posting on a tract-by-tract basis the funds on deposit in the Escrow Account (including Principal and the allocation of Interest and Fees) to the various tracts referred to in Paragraph 4.4 above, (2) reconcile the results of its work to the Escrow Accounting, and (3) to report back to the Board on November 17, 1998 with respect to its progress pertaining thereto and/or results thereof.

7.3 For the reasons set forth in Paragraph 6 above, Applicants' request for disbursement of funds from the Escrow Account is continued to allow for the presentation to the Board of the information required by Paragraph 7.2, and to: (1) give notice to the Applicants of the Escrow Agent's calculation of the amount of their Entitlement, and (2) to allow Applicants an opportunity to review same and to notify the Board whether or not they agree that said liquidated amount represents their complete Entitlement to and claim against the Escrow Account.


8. **Conclusion:** Therefore, the relief granted is just and reasonable, is supported by substantial evidence, and the Board is entering this Order granting the relief requested as more particularly set forth in Paragraph 7 above and IT IS SO ORDERED.

9. **Effective Date:** This Order shall be effective as of the date of its execution.

**DONE AND EXECUTED** this 2<sup>nd</sup> day of November, 1998, by a majority of the Virginia Gas and Oil Board.


  
Chairman, Benny R. Wampler

**DONE AND PERFORMED** this 3<sup>rd</sup> day of November, 1998, by Order of this Board.

  
Byron Thomas Fulmer  
Principal Executive to the Staff  
Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA     )  
COUNTY OF WISE                     )

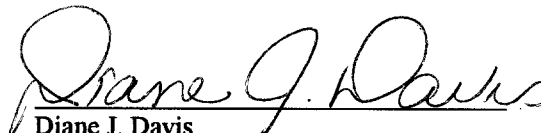
Acknowledged on this 2<sup>nd</sup> day of November, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Susan G. Garrett  
Notary Public

My commission expires July 31, 2002

COMMONWEALTH OF VIRGINIA     )  
COUNTY OF WASHINGTON             )

Acknowledged on this 3<sup>rd</sup> day of November, 1998, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires September 30, 2001

UNIT NELW10  
Docket # VGOB-92-0218-0190-01  
Exhibit E

EXHIBIT

K

## List of Conflicting Owners/Claimants that require escrow

	Net Acres In Unit	Interest in Unit
<b>Tract #46 - 2.00 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	2.00 acres	0.51137%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Consolidation Coal Company P. O. Box 47 Bluefield, VA 24605	2.00 acres	0.51137%
<b>Tract #47 - 115.30 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	115.30 acres	29.48020%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Garden Realty Corporation c/o Betty Boyd King 3810 Winding Way Winston-Salem, NC 27108	115.30 acres	29.48020%
<b>Tract #48 - 2.50 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	2.50 acres	0.63921%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Consolidation Coal Company P. O. Box 47 Bluefield, VA 24605	2.50 acres	0.63921%
<b>Tract #52 - 55.00 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	55.00 acres	14.08254%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Garden Realty Corporation c/o Betty Boyd King 3810 Winding Way Winston-Salem, NC 27108	55.00 acres	14.08254%

UNIT NELW10  
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	Net Acres in Unit	Interest in Unit
<b>Tract #53 - 10.00 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	10.00 acres	2.55683%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Modren Homes Inc. c/o George Hagy Rt. 4, Box 6 Grundy, VA. 24614	8.00 acres 4/5 of 10.00 acres	2.04548%
(2) Walter Wade Heirs		
a. Carl Wade P. O. Box 23 Shortt Gap, VA 24647	0.333 acres 1/30 of 10.00 acres	0.08523%
b. Eunice Wade Baldwin P. O. Box 111 Doran, VA 24612	0.333 acres 1/30 of 10.00 acres	0.08523%
c. Stella Wade Gillespie 437 1/2 Brown Street Richlands, VA 24641	0.333 acres 1/30 of 10.00 acres	0.08523%
d. Glayds Wade Boyd P. O. Box 374 Cedar Bluff, VA 24609	0.333 acres 1/30 of 10.00 acres	0.08523%
e. Vinnie Wade Newberry 17339 Days Point Road Smithfield, VA 23430	0.333 acres 1/30 of 10.00 acres	0.08523%
f. Eady Wade Smith Heirs		
i. Lula Smith Robins Rt. 3, Box 277-M Cedar Bluff, VA 24609	0.067 acres 1/150 of 10.00 acres	0.01705%
ii. Tom C. Smith P. O. Box 335 Doran, VA 24612	0.067 acres 1/150 of 10.00 acres	0.01705%
iii. Dolphus Smith 905 Big Creek Road Richlands, VA 24641	0.067 acres 1/150 of 10.00 acres	0.01705%
iv. Raymond S. Smith P. O. Box 335 Doran, VA 24612	0.067 acres 1/150 of 10.00 acres	0.01705%
v. Luther Smith General Delivery Doran, VA 24612	0.067 acres 1/150 of 10.00 acres	0.01705%



UNIT NELW10  
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	Net Acres in Unit	Interest in Unit
<b>Tract #54 - 3.30 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	3.30 acres	0.84375%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Lida Vandyke c/o Linda J. Holzgrafe 8972 West F. Avenue Kalamazoo, MI 49009	2.84 acres 4/5 of 3.30 acres	0.67500%
(2) Walter Wade Heirs		
a. Carl Wade P. O. Box 23 Shortt Gap, VA 24647	0.11 acres 1/30 of 3.30 acres	0.02813%
b. Eunice Wade Baldwin P. O. Box 111 Doran, VA 24612	0.11 acres 1/30 of 3.30 acres	0.02813%
c. Stella Wade Gillespie 437 1/2 Brown Street Richlands, VA 24641	0.11 acres 1/30 of 3.30 acres	0.02813%
d. Glayds Wade Boyd P. O. Box 374 Cedar Bluff, VA 24609	0.11 acres 1/30 of 3.30 acres	0.02813%
e. Vinnie Wade Newberry 17339 Days Point Road Smithfield, VA 23430	0.11 acres 1/30 of 3.30 acres	0.02813%
f. Eady Wade Smith Heirs		
i. Lula Smith Robins Rt. 3, Box 277-M Cedar Bluff, VA 24609	0.022 acres 1/150 of 3.30 acres	0.00583%
ii. Tom C. Smith P. O. Box 335 Doran, VA 24612	0.022 acres 1/150 of 3.30 acres	0.00583%
iii. Dolphus Smith 805 Big Creek Road Richlands, VA 24641	0.022 acres 1/150 of 3.30 acres	0.00583%
iv. Raymond S. Smith P. O. Box 335 Doran, VA 24612	0.022 acres 1/150 of 3.30 acres	0.00583%
v. Luther Smith General Delivery Doran, VA 24612	0.022 acres 1/150 of 3.30 acres	0.00583%

UNIT NELW10  
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	Net Acres in Unit	Interest in Unit
<b>Tract #57 - 5.00 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	5.00 acres	1.27841%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Commonwealth of Virginia Virginia Dept. of Transportation 870 Bonham Road Bristol, VA 24201	5.00 acres	1.27841%
<b>Tract #58 - 0.80 Acres</b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Hugh MacRae Land Trust P. O. Box 29 Tazewell, VA 24651	0.80 acres	0.20455%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Pepsico of Norton, Inc. 12th Street & Park Avenue Norton, VA 24273	0.84 acres 4/5 of 0.80 acres	0.16364%
(2) Walter Wade Heirs		
a. Carl Wade P. O. Box 23 Shortt Gap, VA 24647	0.027 acres 1/30 of 0.80 acres	0.00682%
b. Eunice Wade Baldwin P. O. Box 111 Doran, VA 24612	0.027 acres 1/30 of 0.80 acres	0.00682%
c. Stella Wade Gillespie 437 1/2 Brown Street Richlands, VA 24641	0.027 acres 1/30 of 0.80 acres	0.00682%
d. Glayde Wade Boyd P. O. Box 374 Cedar Bluff, VA 24609	0.027 acres 1/30 of 0.80 acres	0.00682%
e. Vinnie Wade Newberry 17339 Days Point Road Smithfield, VA 23430	0.027 acres 1/30 of 0.80 acres	0.00682%
f. Eady Wade Smith Heirs		
i. Lula Smith Robins Rt. 3, Box 277-M Cedar Bluff, VA 24609	0.005 acres 1/160 of 0.80 acres	0.00136%
ii. Tom C. Smith P. O. Box 335 Doran, VA 24612	0.005 acres 1/150 of 0.80 acres	0.00136%

UNIT NELW10  
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	Net Acres in Unit	Interest in Unit
iii. Dolphus Smith 805 Big Creek Road Richlands, VA 24641	0.005 acres 1/150 of 0.80 acres	0.00138%
iv. Raymond S. Smith P. O. Box 335 Doran, VA 24612	0.005 acres 1/150 of 0.80 acres	0.00136%
v. Luther Smith General Delivery Doran, VA 24612	0.005 acres 1/150 of 0.80 acres	0.00138%